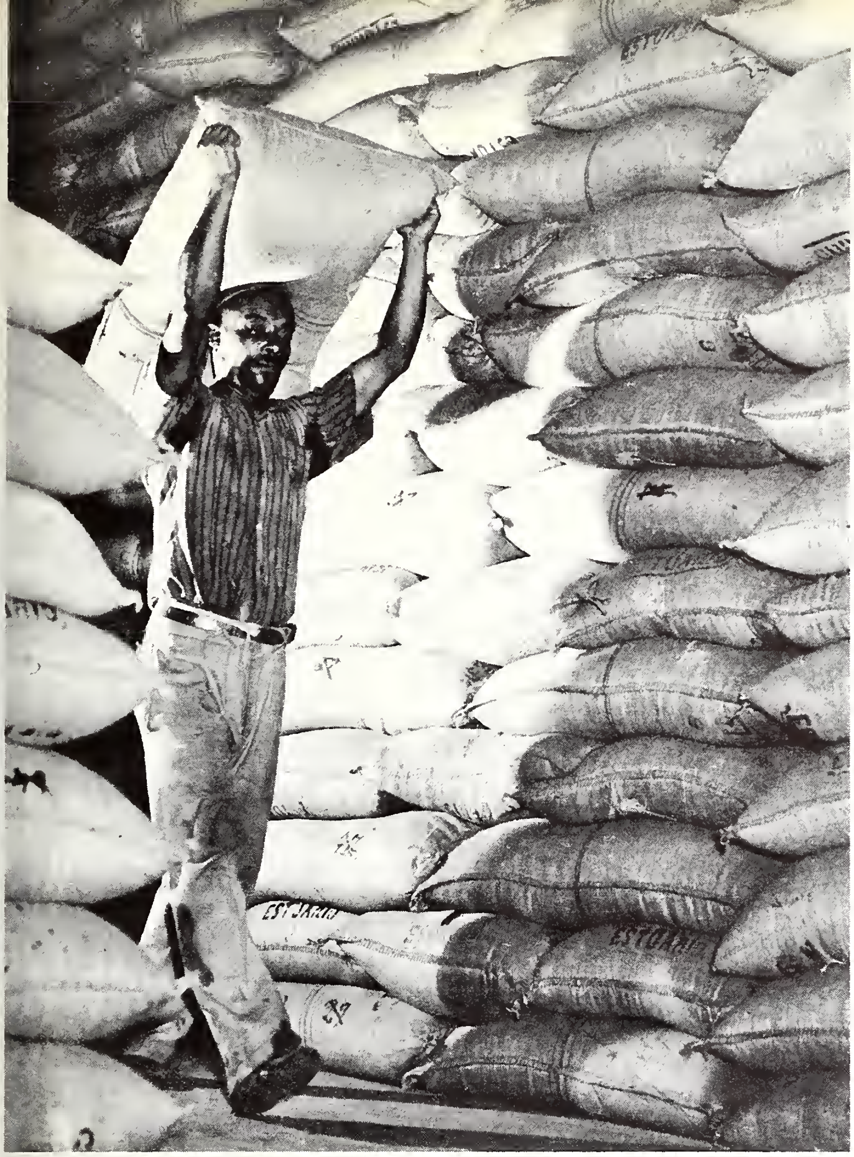


JUNE 10, 1963

NEW LONG-TERM COFFEE PACT

CHANGES IN U.K. AGRICULTURAL POLICY

MORE RICE FOR BRAZIL

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

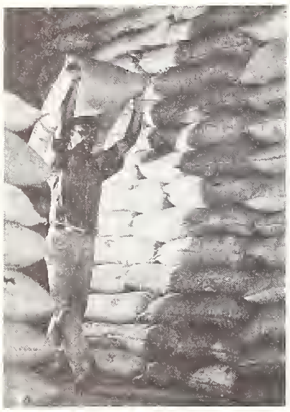
A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

JUNE 10, 1963

VOLUME 1 • NUMBER 23



Green coffee stacked floor to ceiling in warehouses of big producers around the world led to the agreement discussed on the opposite page.

Contents

Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington 25, D. C. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $5.50, domestic, $8.00, foreign; single copies are 15 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

New Long-Term COFFEE PACT Comes Into Force

Picking coffee, Costa Rica.

Next month will see the coming into effect of the first long-term, worldwide coffee agreement including both importing and exporting countries. For the 5 marketing years ending on September 30, 1967, most of the world's $2-billion annual trade in coffee will be covered by this agreement. It is designed to ease the problems caused by the world coffee surpluses that have driven prices to their lowest levels since 1949.

The new agreement was negotiated under United Nations auspices during July and August of 1962. Countries from North America, Latin America, Europe, Africa, and Asia—58 in all—took part in the negotiations. An active participant was the United States, which ranks as the world's leading coffee buyer, taking half of all coffee exports; it has joined the new agreement as an importing member.

Opened for signature last September and signed by 50 of the negotiating nations, the agreement could not enter into force until ratified by 20 or more governments representing exporting countries with at least 80 percent of world exports in 1961 and by 10 or more governments representing importing countries with at least 80 percent of world imports in the same year. Instruments of ratification have now been deposited by more than the required number of governments on both exporting and importing sides.

An International Coffee Organization has been established to administer the agreement and to supervise its operation. From its seat in London, it functions through the International Coffee Council, its Executive Board, its Executive Director, and its staff. The Organization's membership consists of the governments that have formally deposited instruments of ratification; and for any government that does this in the future, the agreement will enter into force on the date of deposit.

There have been several previous attempts to solve the world's coffee problem. Each has strengthened and broadened the coverage. From 1941 to 1947, under the Inter-American Coffee Agreement, the United States set import quotas for the various Latin American producing countries. In 1957, seven Latin American countries joined the "Mexico City" agreement. Brazil agreed to retain 20 percent of its exports as reserves; the six other countries were to retain 10 percent, and export quotas were established for them.

Near the end of the 1957-58 coffee year, an International Coffee Study Group was formed. Its discussions gave rise in the fall of 1958 to the "Latin American" Agreement, which included 15 countries and set up retention quotas for 1958-59. When that agreement expired, it was replaced by the still broader International Coffee Agreement, which included—for the first time—a number of African producing countries. France and Portugal signed this agreement as full participants on behalf of their overseas territories. The United Kingdom and Belgium, while not signing formally, did sign a "Declaration of Intent," which provided maximum export figures for their overseas territories.

The International Coffee Agreement was basically an export quota arrangement, in contrast to the previous agreement, which was a retention plan. Export quotas for signatory countries were to be equivalent to 90 percent of their largest annual exports in any one of the past 10 calendar years, though there were certain provisions in aid of countries with exportable crops under 2 million bags.

For the 1960-61 year, the International Coffee Agreement was extended. There were 28 members by this time, including a number of newly independent African countries: Cameroun, the Central African Republic, the Congo, Dahomey, Gabon, the Ivory Coast, the Malagasy Republic, and Togo. Again, France, Portugal, and the United Kingdom signed for their territories. For 1961-62, the agreement was once more extended. It was during the second half of that year that the Coffee Study Group began to examine the possibility of negotiations for a long-term international coffee agreement.

This new agreement, like the one it replaces, is of the export quota type. But it has a number of detailed, long-term provisions designed to assure that the real income the exporting countries derive from the sale of their coffee can be maintained at a level adequate to meet their expanding needs for foreign exchange in support of their programs for social and economic progress.

For the first 3 years, beginning on October 1, 1962, each exporting country is to have a basic export quota. During the last 6 months of the coffee year ending September 30, 1965, the Council will review these basic export quotas in the light of general market conditions. The Council may then revise the quotas by a distributed two-thirds majority vote (that is, two-thirds of the votes of both importing and exporting members). Meanwhile, the basic quotas can be adjusted by the Council from time to time as market conditions may require. Among other key provisions—

Exporting members undertake to adjust coffee production, while the agreement remains in force, to the amount needed for domestic consumption, exports, and stocks; and not later than one year after the agreement enters into force, a policy on stocks is to be established. Exporting members are also to refrain from barter transactions involving the sale of coffee in traditional markets.

Importing members are obligated to restrict their purchases from nonmembers to the level of a previous 3-year average. This provision, however, was to be put into effect only if the exporting members joining did not account for 95 percent of world exports in 1961. Importing members agree to require, and exporting members to furnish, certificates of origin for all coffees.

The Council plans to sponsor a continuing program for promoting the consumption of coffee—which, for the purposes of the agreement, means the beans and berries of the coffee tree whether parchment, green, or roasted, as well as coffee in any other form including ground, decaffeinated, liquid, and soluble.

During the negotiations that culminated in the signing of the agreement, the following objectives evolved:

(1) To achieve a reasonable balance between supply and demand on a basis which will assume adequate supplies of coffee to consumers and markets for coffee to producers at equitable prices, and which will bring about long-term equilibrium between production and consumption; (2) to alleviate the serious hardships caused by burdensome surpluses and excessive fluctuations in the prices of coffee; (3) to contribute to the development of productive resources and to the promotion and maintenance of employment and income in the member countries; (4) to assist in increasing the purchasing power of coffee-exporting countries; (5) to encourage the consumption of coffee by every possible means; and (6) in general, recognizing the relationship of the coffee trade to the economic stability of markets for industrial products, to further international cooperation in connection with world coffee problems.

The International Coffee Organization has been framed to reach these six goals, and hopes are high that with the broadest possible membership and the most careful planning and administration it will achieve success.

—Leslie C. Hurt
Sugar and Tropical Products Division
Foreign Agricultural Service

U.K. Limits Farm Imports and Subsidies

The British Government recently disclosed plans to control imports of grains and meats and, at the same time, to limit subsidy payments to farmers on these commodities. This is expected to moderate influences which in the past have resulted in mounting Exchequer payments. It should also help to limit domestic production and to maintain the balance between this production and imports.

The announcement, by the Minister of Agriculture, was not clear on whether imports will be controlled by minimum-price levies or quotas or both. The Minister said that the action was designed to "prevent imports of cereals and meats disrupting the market," and added that "we do not intend to restrict supplies to raise market prices."

The United States is one of the grain exporters most concerned about the announced controls, for it sells about $158 million worth of grain in the British market annually. Controls on meat will have to do principally with chilled beef, which comes mainly from Argentina and Yugoslavia.

Britain produces only about half of its own food supply; thus, its agricultural policy—drawn up in 1947 and revised in 1957—was designed to encourage production and provide farmers an income equitable with those in other segments of the country's economy. This was done chiefly by guaranteeing to producers the prices of certain basic products and providing direct grants for certain farm improvements and practices. At the same time, imports, especially from Commonwealth countries, were permitted relatively free entry. Thus, it was expected that low prices would be maintained for consumers.

In the early years of the program, payments to farmers were kept within moderate limits. However, as farmers adopted more efficient practices and other improvements, production increased, and so did government outlay. This was further aggravated by large imports from other countries, sometimes at such low prices that they were accused of "dumping." As a result, government payments for farm programs have risen to a figure exceeding $980 million a year, a $280-million rise over the past 3 years.

Steps to prevent the steady increase were taken in the early 1960's when the government set a limit on its total outlay per year in subsidies—first, to milk producers and for this year to pork and egg producers. At the same time, it indicated that the limit would be extended to cereals, beef, and lamb—as was done in the recent announcement.

—Robert N. Anderson
U.S. Agricultural Attaché, London

Brazil Plans Even Bigger Rice Output

By L. THELMA WILLAHAN
Grain and Feed Division
Foreign Agricultural Service

Brazil—by far the leading rice grower in the Western Hemisphere—plans to expand its rice output still further to meet the needs of a rising population. For the past 10 years, its rice acreage has been increasing at the rate of about 300,000 acres a year and its production of rough rice at the rate of about 250,000 tons. Meanwhile, however, its population too has increased—from 53 million in 1953 to 74.3 million in 1962. Where rice is concerned, Brazil knows that—like people in the Looking-Glass country—it will have to run faster to stay in the same place.

Official figures now available for 1962 (the 1961-62 crop year) reveal a rice area of over 8 million acres and a production of over 5 million tons of rough rice. This harvest—a record one—was more than twice as big as that of the United States, the Hemisphere's second largest producer (which also had a record crop). The outlook for Brazil's 1963 harvest is highly favorable; early-season prospects are for between 5 million and 6 million tons of rough rice—considerably above last year's record.

In years of good weather, the climate of north and central Brazil is especially suitable for rice cultivation. The country raises about three-fourths of South America's rice crop. Nearly every one of Brazil's rice-producing States has increased rice acreage over the past decade. Only in São Paulo State did acreage show a decline, partly due to drought in 1962.

Acreages in the seven States with largest rice areas are:

	Average 1951-52 *1,000 acres*	1962 *1,000 acres*
Minas Gerais	1,189	1,564
Sao Paulo	1,392	1,307
Goías	386	1,297
Rio Grande do Sul	572	932
Maranhao	361	783
Paraná	249	642
Mato Grosso	80	484
Other	516	1,049
Total, Brazil	4,745	8,058

Not only is there now more land area in rice, but some growers are raising more per acre. Rio Grande do Sul, so far virtually the only State producing rice for export, has increased average yield per acre by greater use of fertilizer and more mechanization, and this State ranks first in production, even though three others have more land in rice. Minas Gerais, with 1,564,000 acres in 1962, had the largest rice area but produced only 921,000 tons of rough rice, compared with the 1,340,000 tons produced from 932,000 acres in Rio Grande do Sul.

The central and northern States largely grow long-grain rice for local consumption. Rice is popular in Brazil, and prices are high enough to discourage most growers from an active search for foreign markets. Per capita consumption varies widely, however, from State to State. It is highest in São Paulo and Guanabará—over 110 pounds a year; lowest in Alagôas—only 6 pounds.

The principal rice types grown in Rio Grande do Sul are the medium-grain (Blue Rose) and short-grain (Japonica) varieties. Three-fourths of this rice is sold to other States or abroad. In years when the other States have bad crops, they may take all of the Rio Grande do Sul surplus, leaving little or none for export. Thus, wide variations are likely in Brazil's rice export level.

In 1956-60, exports averaged 32,750 a year (milled basis). In 1959, they were 9,800 tons. In 1960, they slumped to 434; but the next year they soared to nearly 151,000, a large share of which went to African countries. In 1962, exports totaled 44,000 tons. More than half (24,000) went to Iron Curtain countries; the USSR took 10,600, Cuba 7,000, and Czechoslovakia and Poland the rest. Another customer was the Republic of China (Taiwan), with close to 9,000 tons.

In 1963, with a good crop in view, Brazil expects to sell more than 200,000 tons of rice to other countries. It has just agreed to ship the USSR 50,000 tons a year for 3 years. However, whether Brazil's own production and demand levels will be such as to make this a comfortable arrangement remains to be seen.

New Zealand Port Building New Meat Loaders—Claimed To Be World's First

At the southernmost tip of the South Island of New Zealand, in the Port of Bluff, a project is underway—construction of five mechanical meat and package loaders—which may help solve some of the country's shipping problems.

To maintain a high standard of living, New Zealand must export its primary agricultural produce to world markets. Bluff, located in Southland Province, has been handicapped in this. One problem was the city's poor harbor. It was solved some years ago when the Southland Harbor Board began work on new facilities, resulting in an $8.4-million port on a manmade island. The Board then turned its attention to coping with the usual 60-percent loss of available working hours caused by bad weather. The answer was a mechanical meat loader.

In early February 1963, the first meat loader went into operation. Four others are being built (the second will be completed in March; third, June; fourth, September; fifth, November).

The first step in providing the new facilities was the building of a wharf and a transfer shed. The shed contains five railway tracks. Along each track is an endless-belt bench on which the meat, in cartons or carcasses, is carried swiftly to the shed end of the loader. There a waterside worker pushes the carcasses onto a plasticized-nylon pocket which moves the meat up and over the shed and down on an endless chain into the ship's hold.

This $1.1-million scheme requires a 150-ton machine which towers over a 32-foot shed and has 264 pockets running about 200 feet horizontally and then down into the ship's hold.

When the project is completed, the 5 loaders will all be able to discharge into one ship. (At full speed a loader can handle 2,100 carcasses an hour, and at its minimum it handles 700). Hatches in 5 positions across the shed roof can be moved to accommodate the loading frame of the machines. Covered all the way, the meat will reach ships' holds to be shot off onto 4 chutes, there to be handled and stacked by waterside workers. To protect the cargo from the weather a nylon tent will descend from the outer end of the loader onto and covering the ships' hatches.

The new loaders are expected to boost the Southland Harbor Board's finances. Wharfage will increase, and the faster turn-around of ships may attract more shipping to Bluff. The Province of Southland will also benefit. No longer will the meat-packing plants (called freezing works in New Zealand) be held up when weather interferes with normal loading, and no longer will farmers, at times, have to keep their stock on the farm.

Southland has an expanding sheep population and three meat-packing plants. Export of meat and meat products is increasing rapidly. In 1962, over 162 million pounds of meat (about 2 percent of New Zealand's total meat exports) were shipped from Bluff, compared to the 1951 total of 85.7 million. In another 20 years, the Province's meat exports are expected to reach 336 million pounds.

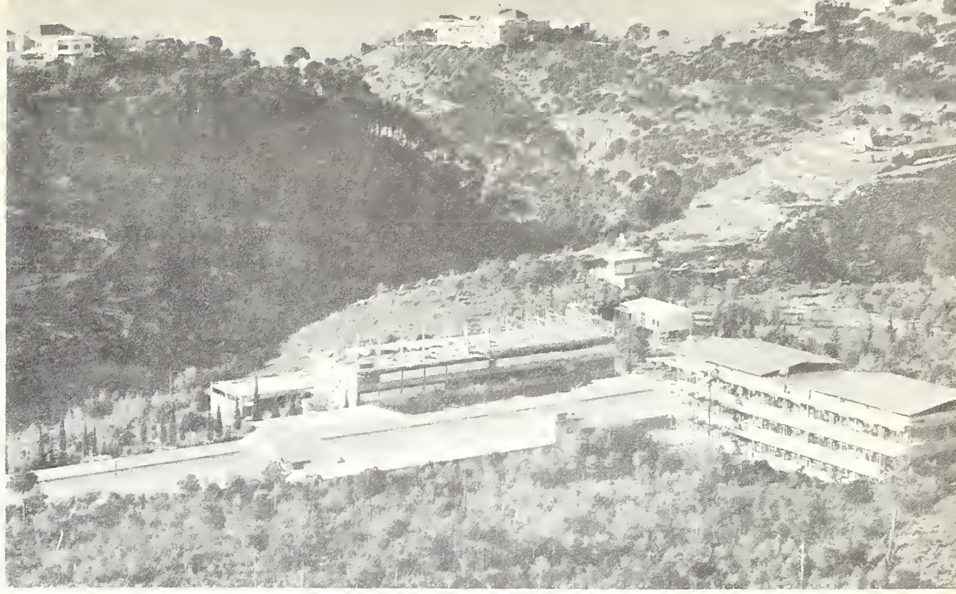
—Kathleen P. Ryan
U.S. Agricultural Attaché Office, Wellington

Below is the world's first mechanical meat loader, in New Zealand, designed to reduce loss of working hours because of bad weather. Four others are being built.

Cold Russian Weather Hurts Crop Prospects

The outlook for crops in the Soviet Union is not particularly auspicious. A moisture shortage in the fall and a severe winter damaged winter grains, especially wheat, although winter rye—an important food crop—apparently suffered less. Damage to orchards and vineyards was also reported. Persistent cold weather in the spring delayed field work by 2 or 3 weeks—always a serious matter in the Soviet Union, where the short growing season is an important limitation on output. To help overcome the delay, an official campaign encouraged farmers to spend the politically important May holidays working in the fields.

Another unfavorable development is a shortage of moisture for the third successive year in much of the principal spring wheat area—New Lands of Western Siberia and Kazakhstan.



Modern poultry plant near Beirut overlooks Mediterranean Sea. Plants such as this one have enabled Lebanon to become almost self-sufficient in broiler production.

By D. L. MacDONALD
U.S. Agricultural Attaché
Lebanon

Lebanon Moves Poultry Output Into High Gear

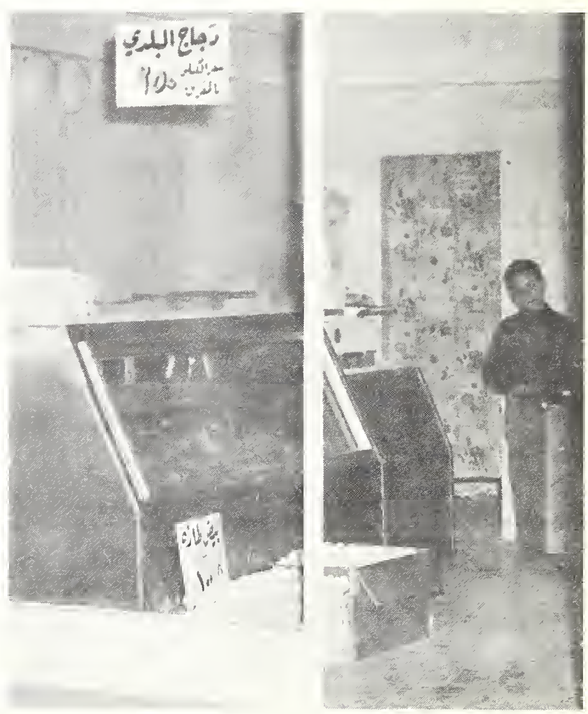
In a walk around this modern Middle Eastern city, the western visitor to Beirut, Lebanon, will observe rotisseries in strategic locations where plump, appetizing-looking broilers are being grilled, or he may note the large supplies of well-fed, well-prepared broilers and graded eggs ready for the housewife's purchase. The availability of these quality products on the Lebanese markets is a new development for this part of the world, although the beginning of similar industries is evident in Syria and Jordan.

Prior to 1952 poultry production in Lebanon was primarily of the backyard or barnyard variety. The birds were of no defined breed, yet they bore evidence that at one time poultry fanciers had imported purebred poultry of European origin. These blood lines had since been lost among the native stock. Poultry feeds were what the birds could scratch for themselves. Housing was poor and disease control was practically nonexistent—all of which led to a situation in which egg and meat production was low, of poor quality, and seasonal.

Industry modernized

Today this condition has reversed itself. There are in Lebanon 134 modern commercial layer farms, averaging 1,500 birds per farm, and 82 modern commercial broiler farms, producing on the average over 50,000 broilers per week. In addition, a large number of broilers are raised on many small farms not classed as commercial.

Poultry stock has also been improved vastly. Commercial hatcheries in Lebanon are producing chicks from superior strains of the broiler and laying types from the United States and Europe. The total number of chicks produced by commercial hatcheries to supply the new industry increased from 1.5 million in 1959 to nearly 7 million in



Top, juicy broilers turn on the spit in a rotisserie. Below, a small boy awaits customers in a shop where eggs sell 8 for 33 cents.

1961, while the net number of chicks imported between 1959 and 1961 decreased from about 1 million to less than 1 quarter million.

11 years of growth

After 11 years the industry is in many ways overcoming its growing pains and has become an important factor in the economy of Lebanon. How this rapid development took place is a story in itself. In brief, it is an example of how many different organizations, people, and institutions, both government and private, worked together toward a common goal. Under a technical cooperation program set up by the Lebanese and U.S. Governments, Lebanese poultry specialists and extension workers were given guidance and training in the field, and they in turn have established research, extension, and demonstration installations in their own country. Local capital, seeing opportunity in the new industry, established a commercial feed industry, a hatching industry and a source of poultry supplies.

Another factor, which may have been the catalyst for this phenomenal development, was the visit to the United States in 1954, under the auspices of the International Farm Youth Exchange program, of three young Lebanese who had the opportunity of observing the booming broiler industry in the United States. Upon their return to their homeland, two of the participants enlisted the support of others and started commercial poultry operations in Lebanon. The third man has since earned his PhD in this field and is now an Assistant Professor of Poultry Science at the American University of Beirut.

The commercial poultry farms in Lebanon may be grouped into two major types—table egg production and broiler production.

Egg farms

A recent joint study made by the Lebanese Ministry of Agriculture and American University of Beirut reveals that even though commercial egg farms have made substantial growth, they supplied only 45 percent of the total number of eggs (280,000 cases) consumed in Lebanon in 1961. Of the remaining 55 percent, the Lebanese village flocks supplied 30 percent, and 25 percent were imported. Imported eggs come primarily from Turkey, Syria, and Denmark, although Poland became the major supplier in 1962.

The cost of producing eggs in Lebanon, as in any country, varies according to the skill of the manager. The study referred to shows that the net cost varied from 30.6 cents per dozen for the most efficient producer to 37 cents per dozen for the least efficient. This explains why egg producers appeal to their government for relief when Poland offers eggs at 25 cents per dozen c.i.f. Beirut, as it did last year. Lebanon exports a limited amount of its quality eggs to Saudi Arabia and Kuwait.

Broiler production

The broiler side of the poultry industry in Lebanon has moved ahead more rapidly than has egg production. Broilers provide a return in less than 3 months. The egg producer must wait 5 to 6 months before the pullet starts to lay and provide an income.

In 1961, Lebanon consumed 5.8 million broilers, and of this total, 5.5 million were produced internally. Another 300,000 birds were imported. Effective February 1963, Lebanon imposed a license requirement for the import of frozen poultry into the country. The purpose of this license is to protect the local industry, which is now believed able to supply domestic requirements.

Cost of production averaged 30.5 cents per pound of broiler for the farms studied. These costs varied between 32.7 cents for the highest to 29.2 cents for the lowest group. Growers in 1961 received an average of 43.6 cents per pound for eviscerated broilers delivered in Beirut, or about 13 cents over production costs, to cover dressing and marketing costs and their margin of profit.

Future expansion of broiler production in Lebanon will depend on the industry's ability to reduce costs. As has been mentioned, production is now about equal to local requirements at present prices. The local market could consume more birds at a lower price. The prospects for an expanding export market in the nearby Arabian states will depend on Lebanon's ability to reduce production costs per unit of product.

Lebanon imports most of the feed used in the commercial poultry industry. The concentrates are shipped from the United States and Europe, and the corn is now coming from Rumania and Bulgaria. Imported feeds are expensive, and producers realize that they must attain a high conversion rate (amount of feed needed to produce a dozen eggs or a pound of broiler meat, for example) in both broiler and egg production and must permit no letdown in maintaining high-producing strains of chicks.

The sustained interest of poultry producers and the government in the Poultry Nutrition Seminar held last November in Beirut shows that they are looking forward to the future development of the industry in Lebanon.

Recent USDA Publications

A summary of the African monetary system, the influence of French grain on the EEC, and trends of U.S. agriculture are now available in three new USDA publications:

Foreign Gold and Dollar Reserves, April 1963, includes such subjects as: "The African Monetary Situation," "Gold and Dollar Holdings of Foreign Countries," and "U.S. Balance of Payments." ERS, Rm. 1469-S, USDA, Wash. 25, D.C.

France's Key Role in the Grain Sector of the European Common Market, FAR-122, April 1963, presents information on how France, the only surplus grain producer in the EEC, may affect EEC regulations on imports from nonmember countries. FAS, Rm. 5555-S, USDA, Wash. 25, D.C.

Agricultural Statistics, 1962. The new annual statistical yearbook, a revised 11-chapter volume, contains more complete references than any other edition, with some tables dating back to 1856. Price, $2.00, Supt. of Documents, U.S. Gov't. Printing Office, Wash. 25, D.C.

Liking for U.S.-Leaf Cigarettes Moves Japan To Re-Open U.S. Tobacco Office

After a lapse of 25 years, the Japan Tobacco Monopoly Corporation—which controls the manufacture and distribution of all cigarettes in Japan—has announced plans to re-establish an office in the United States on the eastern seaboard to supervise tobacco purchases in this country

The move indicates the increasing popularity in Japan of cigarettes containing U.S. leaf—a preference which has grown out of an aggressive, 7-year-old market development program carried on by the Monopoly in cooperation with the U.S. tobacco industry and the Foreign Agricultural Service.

When the program began in late 1956, U.S. exports of leaf to Japan stood at 5.8 million pounds. In 1962, they reached 24 million pounds, with cigarettes featuring U.S. leaf making increasing inroads in a market accustomed for many years to less expensive, all-Japan leaf cigarettes.

Prior to 1956, the Monopoly had done practically no advertising of its products. However, when consumers showed considerable interest in the U.S. tobacco exhibit at the Osaka Trade Fair, it was decided to begin active market development and a contract was signed a month later. The program was so successful in terms of increased sales, it has continued ever since.

The advertising program is administered by the Monopoly through various advertising agencies. The U.S. tobacco industry also has an international ad agency which works with the Monopoly to formulate effective programs and supervises expenditure of U.S. funds.

The program, which emphasizes television, radio, and magazine ads, is concentrating more and more on women, who represent a large potential market. Madison-Avenue type ads in important women's magazines show attractive women smoking. "Glamour" posters are used in leading stores and tobacco shops.

Four cigarette brands were singled out for emphasis; each has its own slogan. *Peace*—into whose promotion goes almost 90 percent of promotion funds—is advertised as a "Taste of U.S.-grown tobacco," or "Symbol of friendship, a real cigarette." *Hi-Lite* is called "a long-sized and filter-tipped cigarette."

Tobacco promotion in Japan stresses women, a sizable potential market.

Promotion of *Hi-Lite* began in mid-1960, when the brand, containing 10 percent U.S. leaf, was introduced to the Japanese market. In 1962 its sales increased over those of the previous year by nearly 100 percent.

Houston Firm Receives Presidential "E" Award

Uncle Ben's, Inc., a Houston, Texas, rice processing company, has been given the Presidential "E" certificate for achievement in expanding U.S. exports.

The award cites the firm "for exemplary leadership in merchandising its rice in many and widely distributed countries throughout the world, and for enhancing the international reputation of the American business community by its sustained record of quality exports, by the superior quality of its foreign agents, and its intensive local advertising."

Dairy Society Steps Up Its Promotion in Chile

Market development for U.S. dairy products in Chile is expected to move into a new phase with the recent creation of the post of Country Coordinator for the MD program.

The program, now a year old, is being carried on by the Dairy Society International, the American Dry Milk Institute, and FAS, in cooperation with Chilean dairy recombining plants. It has concentrated thus far on a nutrition education program to introduce recombined dairy products which would utilize U.S. nonfat dry milk and anhydrous butter fat.

The new look calls for emphasis on other aspects as well: Technical advice on improving recombined products and their distribution, and promotion of new products.

The use of U.S. dairy products in recombining is arousing growing interest. Two Chilean recombining plants now in the program are expected to be joined by several others soon. Chile has programmed increasing amounts of U.S. dairy products for dollar import. Latest authorizations were those of April 26 of this year for 900 metric tons of anhydrous butterfat and 3,000 metric tons of nonfat dry milk to be delivered between May 3 and July 31 under Title IV of Public Law 480.

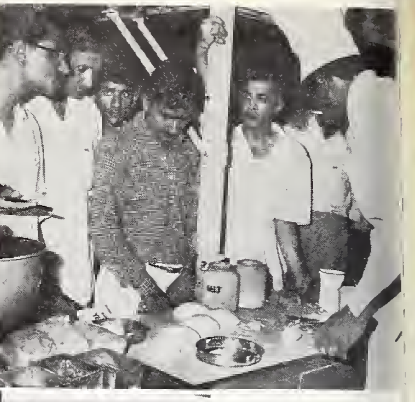
"Bakery on Wheels" Goes Into Second Year in India

Wheat Associates' "bakery on wheels" in India rounds out its first year of operation after demonstrating improved baking techniques to over one-quarter of the country's estimated 6,000 bakeries. The mobile bakery is part of Wheat Associates' continuing effort in India to improve the acceptability and quality of wheat foods.

Costs of operating the van are paid by the Indian Yeast Company—a third party cooperator. From the mobile unit, trained demonstrators teach proper methods of baking and techniques for factory cleanliness and hygiene. Demonstrations are given often at technical and trade schools. All the flour for the bread products made is milled from U.S. wheat; other ingredients are locally produced.

Besides introducing modern baking methods, the van is building a new public image of India's baking industry by presenting baking as a highly refined craft. Traditionally, the baking trade in India has been considered menial, suited only for illiterate workers.

India's milling industry fully supports the mobile bakery. A second unit is being planned which will further expand this successful program.



Mobile bakery in India

Markets To Watch

Mozambique's Flour and Biscuit Business Paves the Way for U.S. Hard Wheat Sales

In 1956 Mozambique got 84 percent of its imported wheat from Australia, the remainder from Canada. Five years later, the United States had overtaken both Australia and Canada as a wheat exporter to Mozambique—supplying more than half of the country's import needs in 1961-62. Mozambique now represents a growing $1.5 million market for about 26,000 metric tons of U.S. hard wheat.

Though the United States gained a larger share of this market since 1956, a larger market was to be had. Mozambique's 1961-62 wheat imports totaled 53,500 metric tons against 25,700 in 1956-57.

Sparking the rising imports was the opening of a modern flour mill at the port of Lourenco Marques in 1958. Besides flour-making, the mill does a flourishing biscuit business—hard biscuits, cookies, and crackers. These find a market in Mozambique as well as in Portugal, Angola, and Madagascar. The hard wheat for bread flour must be imported. Mozambique grows only soft wheat.

Planned expansion of this flour-biscuit factory and a growing demand for bread and flour in urban areas should further stimulate wheat imports. The Marques biscuit factory now operates round-the-clock to fill orders. This mill and the biscuit factory will be enlarged soon, and a second mill is to be built within 2 years.

The upward trend in wheat consumption typical of many less developed areas is especially pronounced in Mozambique. Via a complex rail system, farm and industrial products of adjacent countries move to Mozambique's seaports: from Southern and Northern Rhodesias-Nyasaland and the Congo's Katanga Province to Beira, from South Africa and southern Rhodesia to Lourenco Marques. The railroads too are speeding the movement of rural people to urban areas. Mozambique's seacoast has become a vacation spot for tourists from South Africa and Southern Rhodesia.

All these factors have contributed to a swelling urban population in Mozambique, higher consumer purchasing power—and a growing demand for bread and wheat products.

The United States is in good position to supply increasing amounts of wheat to Mozambique. Biscuit manufacture does not require premium grades of hard wheat. Certain kinds of U.S. hard wheat are most competitively priced for this market.

Mozambique buys some wheat under U.S. open-end barter. This agreeable arrangement permits a country to make payment-in-kind through one of its trading partners. For example, Mozambique might buy U.S. wheat and sell sugar to South Africa, which will ship chromite to the United States to pay for the original wheat purchase. All U.S. sales to Mozambique this fiscal year, however, have been for cash.

EEC Raises Charge on Poultry Imports

The EEC Council of Ministers on May 31 postponed action on the suggested reduction in the gate price and levy on non-EEC broilers, and raised the supplemental level under the gate price provision from 2.27c per pound to 3.40c.

Italy Imports More Butter

Italy imported a record 62 million pounds of butter in 1962—more than four times the quantity imported in 1961 and somewhat above the previous high set in 1960. Considerably heavier shipments came from the traditional West European suppliers: The Netherlands, 10.5 million pounds, compared with 2.6 million in 1961; France, 8 million (1.1 million); Sweden, 7 million (1 million); Belgium, 6 million (2 million); Denmark, 3.6 million (.8 million).

Italy also received larger shipments from Eastern European countries. Poland sent 11.8 million pounds, or 10 million more than the previous year; Rumania, 4 million, compared with 2 million; Bulgaria and Hungary, more than one million each, from less than 500,000 each in 1961.

Common Market Pork Levy System Under Study

The EEC Council of Ministers, meeting in Brussels on May 20 and 21, failed to reach agreement on establishing the variable levy and gate price system for pork cuts and canned and prepared products. Implementation of the levy system for wholesale cuts, lard, fatback, and canned meats has been postponed several times since December, and it may not be implemented on July 1 as has been announced. (On July 30, 1962, the EEC Council established the levy system for live hogs and hog carcasses.)

The levy system on pork products will sharply restrict U.S. lard exports to the EEC and limit the possibility of future expansion in exports of canned and processed products. U.S. exports of lard to the EEC in 1962 totaled $1.8 million, practically all to West Germany.

U.S. exports of variety meats to the Common Market (last year, valued at $16.4 million) are to be controlled by fixed import duties, bound in GATT, and are not expected to be subject to the variable levy system.

Exports of other fresh, cured, and frozen meats to the EEC were valued at only $342,000. However, most EEC countries limit these imports by government edict.

U.K. Lard Imports Rose Sharply in March

U.K. lard imports in March amounted to 46.8 million pounds, compared with a total of 47.0 million in the 2 preceding months, and there was a significant increase in imports from the United States.

U.K. imports from all sources in January-March 1963 totaled 94 million pounds, compared with 111 million a year earlier. Reduced shipments were recorded for the United States—76.8 percent, compared with 78.6 in 1962—Poland, and France. However, larger shipments were received from Sweden, Denmark, West Germany, the Netherlands, and Belgium.

U.K. LARD IMPORTS BY COUNTRY OF ORIGIN, JANUARY-MARCH, 1962 AND 1963

Country of origin	January-March 1962 Quantity	January-March 1962 Percent of total	January-March 1963 Quantity	January-March 1963 Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	87,020	78.6	72,009	76.8
Belgium	5,318	4.8	5,803	6.2
Denmark	3,617	3.3	4,400	4.7
France	5,398	4.9	3,949	4.2
Germany, West	878	.8	2,850	3.0
Poland	5,825	5.3	1,748	1.9
Netherlands	1,478	1.3	1,550	1.6
Sweden	830	.7	1,360	1.5
Others	351	.3	122	.1
Total	110,715	100.0	93,791	100.0

Henry A. Lane & Co., Ltd.

Canada—a Lively Market for U.S. Lambs

Shipments of U.S. slaughter lambs into Canada since February have increased more rapidly than in the same period of past few years, indicating a lively import demand for U.S. lambs. Weekly imports for April and early May have averaged 3,158 head or about three times larger than in 1962.

CANADA: IMPORTS OF U.S. SHEEP AND LAMBS FOR SLAUGHTER, JAN.-APR. 1960-63

Month	1960	1961	1962	1963
	Head	*Head*	*Head*	*Head*
January	909	3,077	17	——
February	313	788	8	1,522
March	12	486	960	3,624
April	1,320	2,746	5,579	15,790
Annual	28,359	49,352	22,668	——

During the spring months, Canadian lamb prices are usually high relative to U.S. prices; however, this year Canadian prices have been high ever since January, with Canadian deliveries lower than usual. In April, the unusual low deliveries drove prices up rapidly, and by May 4 slaughter of sheep and lambs was down 14 percent from 1962. As a result, prices rose to an average C$27.00 in Toronto, compared to C$24.00 for the 1962 period.

Apparently, the high prices in January and February caused Canadian farmers to deliver their late feedlot lambs during those 2 months. Sheep numbers on Canadian farms on December 1, 1962, were down 10 percent from a year earlier; the number of lambs was down 13 percent. The sheep census is expected to drop another 10 percent by the end of 1963.

Although per capita consumption of lamb and mutton in Canada is low—3.8 pounds in 1962—it continues at a fairly steady rate, requiring increased imports to replace declining production. Most of Canada's imports come from Australia and New Zealand.

Australian Meat Moves to the U.S.

Six ships left Australia in late April and early May with 16,228,800 pounds of beef, 2,470,720 pounds of mutton, 105,280 pounds of lamb and 2,240 pounds of variety meat for the United States.

Ship and sailing date	Destination[1]	Arrival date	Cargo	Quantity
	Eastern and Gulf ports and St. Lawrence Seaway			*Pounds*
Baltic Sea[2] Apr. 27	Charleston	([3])	Beef	51,520
			Var. meats	4,480
	Philadelphia	May 28	Beef	748,160
			Var. meats	6,720
	New York	30	Beef	1,258,880
	Detroit	June 16	Beef	91,840
			Mutton	89,600
Vingeland Apr. 28	New Orleans	22	Beef	215,040
			Mutton	100,800
	Houston	27	Beef	26,880
			Mutton	224,000
Pioneer Glen Apr. 30	Charleston	1	do.	33,600
	Boston	5	Beef	67,200
	New York	7	do.	456,960
	Philadelphia	11	do.	78,400
	Baltimore	13	Beef	112,000
			Mutton	33,600
Port Alma May 5	Everglades	3	Beef	766,080
			Var. meats	2,240
	Charleston	5	Beef	613,760
			Mutton	313,600
	Norfolk	7	Beef	311,360
	New York	8	Beef	5,750,080
			Mutton	409,920
	Boston	15	Beef	1,023,680
			Mutton	385,280
			Lamb	6,720
	Philadelphia	20	Beef	2,430,400
			Mutton	257,600
			Lamb	24,640
	Western ports			
Cap Valiente May 4	Los Angeles	May 20	Beef	1,272,320
			Mutton	253,120
			Lamb	44,800
	San Francisco	22	Beef	1,064,000
			Mutton	143,360
	Portland	24	Beef	224,000
	Seattle	25	Beef	129,920
			Mutton	15,680
Mariposa May 6	San Francisco	23	Beef	172,480
			Mutton	163,520
	Los Angeles	28	Beef	98,560
			Lamb	29,120
Lloyd Bakke May 10	Seattle	June 30	Beef	405,440
	Portland	July 3	do.	291,200
	Los Angeles	11	do.	481,600
	San Francisco	15	Beef	237,440
			Mutton	136,640

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market area, but meat may be diverted to other areas for sale. [2] In addition to amounts reported in *Foreign Agriculture*, May 26, 1963 and shipping date previously reported as April 19, 1963. [3] To be transshipped.

Mexico Sets Cattle and Meat Grading Standards

The Mexican Government recently published new standards for grading beef cattle and beef in the *Diario Oficial*. They became effective May 16, 1963, and are obligatory for all beef to be consumed in areas or cities with populations of 100,000 or more. Six grades were established for both cattle and beef: Excellent, select, supreme, good, medium, and inferior.

Establishment of beef grades is part of an improvement program of the meat industry. Another part is the special incentive provided to establish feedlots.

U.S. Livestock and Meat Imports Rise

Most of the major categories of livestock and meat product imports showed increases in the first 3 months of 1963 compared with those for the same period in 1962. Hides and skins, however, were an exception. All but two types, calf and kip, were imported in lesser amounts than in the previous year.

Beef and veal imports increased by 16 percent because of exceptionally heavy imports in February (100 million pounds). Pork imports were up slightly, the largest item being canned hams—Danish, Dutch, and Polish.

Mutton imports in March were low; however, because of large imports in February, the total for 1963 thus far remained above that for 1962's first quarter. Lamb imports through March were nearly double those for the first quarter of 1962, as shipments from Australia and New Zealand increased, especially of variety meats from New Zealand.

For the second straight month wool imports, both dutiable and duty-free, continued above those for the previous year after a sharp drop in January, caused by the dock strike.

Live cattle imports dropped sharply in March, but remained 9 percent above those for the first quarter of 1962. Most of them come from Mexico and Canada.

LIVESTOCK PRODUCTS: U.S. IMPORTS OF SELECTED ITEMS, MARCH 1963, WITH COMPARISONS

Commodity	March 1962	March 1963	Jan.-March 1962	Jan.-March 1963
Red meats:				
Fresh, frozen, canned, and cured beef and veal	*1,000 pounds* 97,802	*1,000 pounds* 93,056	*1,000 pounds* 211,981	*1,000 pounds* 248,831
Other meats[1]	2,085	2,286	6,153	5,824
Total beef and veal	99,887	95,342	218,134	254,655
Pork	19,178	20,777	51,160	54,177
Mutton	12,820	6,844	24,923	26,641
Lamb	1,560	3,021	3,428	6,782
Total red meat	133,445	125,984	297,645	342,255
Variety meats	193	172	615	703
Wool (clean basis):				
Dutiable	13,366	13,929	37,290	41,330
Duty-free	11,674	16,970	32,834	43,614
Total wool	25,040	30,899	70,124	84,944
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	82	41	193	103
Buffalo	111	66	218	155
Calf	36	43	110	134
Kip	61	101	177	226
Sheep and lamb	5,853	4,925	11,306	7,832
Goat and kid	1,463	1,097	4,173	3,470
Horse	34	29	124	74
Pig	101	140	412	304
	Number	*Number*	*Number*	*Number*
Live cattle[2]	97,970	68,280	284,683	311,496

[1] Other meat, canned, prepared, or preserved. [2] Includes cattle for breeding.

U.S. Department of Commerce.

EEC Sets Target Date for Beef Regulations

The Common Market Council has established a target date of December 31, 1963, for approval of the Common Agricultural Policy for beef and veal, which will become effective in the first quarter of 1964. Until the CAP is

finally established, beef variety meats from the United States will be imported by the individual countries under current arrangements.

The beef market regulations, proposed in 1962, are likely to be substantially modified by those now being drafted. The new CAP will probably not include tallows and greases, cattle hides, or sausage casings. The Common External Tariff (CXT) for beef, veal, and beef variety meats will be set eventually at 20 percent, and inedible beef tallow at 2 percent; but there will be no CXT for natural casings and bovine hides.

Mexico Authorizes Exports of Zebu Bulls

The Mexican Government has authorized the Ministry of Agriculture and Animal Industry to approve the export of Zebu bulls. This decree, published in the *Diario Oficial,* May 16, 1963, permits the exportation of up to 200 head until May 16, 1964.

The decision to permit exports of Zebu bulls was made in compliance with frequent requests from foreign breeders. The Mexican Government also wants to cooperate with other countries interested in improving their cattle and increasing production of livestock products.

Senegal's Tobacco Imports Down

Senegal's imports of leaf tobacco and products during 1962 totaled 1.4 million pounds—down 23 percent from the 1961 level of 1.9 million.

Imports of unmanufactured tobacco during 1962 totaled 1.1 million pounds, valued at the equivalent of 12.9 U.S. cents per pound. Principal suppliers included India, Algeria, Mozambique, Poland, and the Dominican Republic. Imports from India totaled 616,000 pounds, valued at the equivalent of 5.8 U.S. cents per pound; Algeria, 103,000 (20.5 cents); Mozambique, 98,000 (41.2 cents); Poland, 91,000 (13.3 cents); and the Dominican Republic, 51,000 (23.1 cents).

Senegal's exports of unmanufactured tobacco last year amounted to 679,000 pounds, valued at the equivalent of 16.5 U.S. cents per pound. Shipments to the Republic of Togo totaled 359,000 pounds (16.7 U.S. cents per pound) and those to the Republic of Guinea, 320,000 pounds (16.3 cents).

Senegal's imports of cigarettes during 1962 totaled 383,000 pounds. France supplied 289,000 pounds, Algeria 63,000, and the United States 14,000.

Senegal's exports of cigarettes last year totaled 601,000 pounds; shipments to the Republic of Guinea were 334,000 pounds; to the Republic of Togo, 244,000 pounds; and to the Cameroon, 22,000 pounds.

Rhodesian Flue-Cured Prices at 10-Year High

Average weekly auction prices for the 1963 flue-cured tobacco crop currently being sold in Salisbury, Southern Rhodesia, averaged the equivalent of 55.4 U.S. cents per pound for the 10th week ending May 16, 1963. This was the highest in 10 years, since the 55.9 cents for the week ending April 16, 1953.

Weekly average prices have advanced steadily for 5 consecutive weeks from the seasonal low of 37.5 cents per pound for the 5th week, ending April 11, 1963. The price for the 6th week was 39.5 U.S. cents per pound; for the 7th week, 41.9 cents; for the 8th week, 47.5 cents; and for the 9th week, 52.1 cents.

Total sales through the 10th week amounted to 80.6 million pounds, at an average price equivalent to 44.2 U.S. cents per pound. Sales last year for the same period totaled 83.7 million at an average of 46.1 cents.

Ontario Flue-Cured Auctions Close

Auction sales of the 1962 crop of Ontario flue-cured tobacco in Canada were completed on May 9. The season's sales totaled 180 million pounds, at an average price of 51.1 Canadian cents per pound.

Not included in the total sales figure is an unknown quantity of unsold nondescript and special factored grades of tobaccos which did not qualify for support under the levy plan. A small amount of this tobacco is reportedly being processed by growers at their own expense. Also not included is an estimated 150,000 pounds harvested last season by growers without marketing quotas.

Purchases by regular buyers of 1962-crop flue-cured tobacco amounted to 156.3 million pounds at an average price of 50.1 Canadian cents per pound. The Board's purchases of "no sale" tobacco totaled 23.7 million pounds (at 51.8 Canadian cents) and represented 13.7 percent of total sales under the levy plan and 13.2 percent of total season sales. These purchases cost 12.3 million Canadian dollars.

To finance the purchase of this tobacco, the Board collected 3.6 million Canadian dollars from growers' sales under the 2-cent-per-pound levy plan. The remainder was provided by bank loans guaranteed by the Provincial Government of Ontario.

The costs of processing, packing, and storage, plus other administrative costs incurred by the Board for the handling of the "no sale" tobacco, are not currently available.

Blue Mold Hits Israeli Tobacco Crop

Blue mold has reportedly infected the majority of the tobacco seed beds in Israel and is spreading into the transplanted fields. Recent estimates indicate that the planted acreage this season will not exceed 1,000 acres—less than 10 percent of normal plantings.

Blue mold damage to the 1962 harvest was insignificant, and it affected only a small flue-cured area. Although this season's large-scale infection of oriental tobaccos will necessitate stepped-up purchases of imported oriental tobaccos, the level of flue-cured imports is not expected to change materially.

Denmark Continues Rapeseed Marketing Plan

The Danish Parliament on March 20, 1963, renewed the rapeseed marketing act for the period October 1, 1963, through September 30, 1965 (see *Foreign Crops and Markets* December 4, 1961). This act requires Danish mar-

garine firms to purchase domestically grown rapeseed, or rapeseed oil originating from it, equivalent to 10 percent of their total oil requirements. However, the industry is not required to use rapeseed oil in margarine production and has preferred to export its purchases as rapeseed.

The price to be paid by the industry is fixed at 0.80 krone per kilogram (5.3 U.S. cents per pound) for winter rape and 0.7 krone per kilogram (4.6 U.S. cents per pound) for spring rape. These prices are subject either to premiums or to deductions based on foreign matter and moisture content.

In addition, the industry must pay into a rapeseed fund a fee of 0.45 krone per kilogram (3.0 U.S. cents per pound) of rapeseed purchased under the marketing plan. This fund, prorated on the basis of quantity delivered, is distributed at the end of each harvesting year to the Danish rapeseed producers.

Philippines Exports More Copra, Coconut Oil

Recorded copra and coconut oil exports of the Philippines in January-April 1963, as compiled from monthly data on registered shipments, totaled 263,769 and 56,244 long tons, respectively.

Exports in the comparable period of 1962 amounted to 208,124 tons for copra and 29,715 for coconut oil.

Australia Uses More Fats and Oils

Australia's consumption of industrial and edible vegetable oils increased in fiscal 1961-62 after a short period of stability during late 1960 and early 1961. Shifts in industrial usage reduced demand for some individual oils, but aggregate vegetable oils demand rose and is expected to rise still further.

Although domestic oilseed production has expanded somewhat, increasing consumption requirements continue to be met largely by imports. Imports of oil-bearing materials—mainly copra, peanuts, hempseed, and rapeseed—increased by almost 1,700 short tons, or 5 percent above imports in 1960-61.

Vegetable fats and oils imports in 1961-62 increased over one-third from 1960-61. Continued industrial expansion reflected increases in imports of linseed, safflower, and soybean oils, while population growth and stronger demand for butter substitutes prompted increased imports of olive, coconut, and palm oils. Despite a modest increase of 2 percent in imports of whale oils, total marine and fish oil imports declined over 6 percent.

Australian exports of vegetable fats and oils, although normally small, declined in 1961-62, reflecting increased domestic utilization and unfavorable growing conditions for oilseeds in some areas.

The decline of nearly 20 percent in exports of marine fats and oils indicates a sharp drop in production. Future production prospects indicate further reductions in exports.

Revised fats, oils, and oilseeds tariff schedules which became effective March 1 for industrial oils and April 11 for edible oils are likely to alter Australia's future trade patterns. The schedules are designed principally to promote and encourage domestic oilseed production while providing flexibility for imports to fulfill Australia's fats and oils requirements.

AUSTRALIA: TRADE IN FATS, OILS, OIL-BEARING MATERIALS, FISCAL 1960-61 AND 1961-62

Item	Imports 1960-61	Imports 1961-62	Exports 1960-61	Exports 1961-62
Oil-bearing materials:	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Hempseed, rapeseed and mixture thereof	1,144	291	—	—
Copra	34,616	35,319	—	—
Cotton, kapok, sesameseed	68	44	—	—
Soybeans	—	234	—	—
Peanuts, kernels or in shell	2,021	2,539	—	—
Other oilseeds	971	2,069	—	—
Total	38,820	40,496	—	—
Vegetable fats and oils:				
Castor oil, dehydrated	156	34	—	—
Castor oil, other	1,530	1,481	39	25
Coconut oil	1	323	—	32
Cottonseed oil	28	12	—	—
Linseed oil	3,554	8,568	39	59
Olive oil, including sulphur oil	5,168	6,601	—	—
Palm oil	1,736	3,735	—	—
Palm kernel oil	(1)	472	—	—
Peanut oil	7,684	5,788	—	—
Rapeseed oil	177	175	—	—
Safflower oil	1,768	3,259	—	—
Soybean oil	2,006	2,307	—	—
Tung oil	1,767	1,262	—	—
Other vegetable oils, not hydrogenated	(1)	817	311	170
Other vegetable oils, hydrogenated	(1)	351	27	19
Total	25,575	35,185	416	305
Marine fats and oils:				
Whale oil	[2] 2,190	[2] 2,238	10,349	8,557
Cod liver oil including refined	519	422	—	—
Fish oils, unrefined [3]	570	448	—	—
Other marine and fish oils	204	164	30	44
Total	3,483	3,272	10,379	8,601
Total vegetable and marine oils	29,058	38,457	10,795	8,906

[1] Not separately available. [2] Includes imports from the Australian Territory of Norfolk Island. [3] Includes penguin and seal oil. Commonwealth Bureau of Census and Statistics.

Danish Oilseed Sowings Decline

According to preliminary data, Danish oilseed sowings, contracted for the 1963 harvest as of March 1, 1963, indicate a sharp decline in acreage from a year earlier for all major oilseeds and flaxseed:

Oilseed	Total area contracted as of: March 1, 1962	Total area contracted as of: March 1, 1963	Change in 1963 area contracted	Final plantings 1962
	1,000 acres	*1,000 acres*	*Percent*	*1,000 acres*
Winter rapeseed	25.4	15.7	—38	43.5
Summer rapeseed	12.8	12.7	— 1	14.6
Mustard seed	23.6	11.3	—52	34.7
Flaxseed	1.3	0.7	—50	0.2
Total	63.1	40.4	—36	93.0

Despite marked expansion of rapeseed production in 1962 under the rapeseed marketing plan, winter rapeseed sowings were substantially reduced by a late harvest of

rain crops on land that subsequently, and normally, is own to rape. Severe weather has caused some winter-illing to fall sowings of winter rapeseed which may result in increased sowings of summer rapeseed.

Danish rapeseed prices are expected to be low in 1963, n relation to 1962, because of the large carryover from he 1962 crop.

Japan's Soybean, Meal Imports Down

Japan's imports of soybeans and soybean meal declined in the first quarter of 1963 from the comparable period last year, but imports of safflower seed increased.

JAPAN: SOYBEAN, SAFFLOWERSEED, AND SOYBEAN MEAL IMPORTS, JAN.-MAR. 1963, WITH COMPARISONS

Commodity and major source	1961	1962	January-March 1962	January-March 1963
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Soybeans:				
United States	1,101.9	1,125.8	301.4	295.0
Total	1,158.3	1,293.1	358.6	349.3
Safflower seed:				
United States	71.7	63.1	20.6	23.5
Total	72.9	63.2	20.6	23.5
Soybean cake and meal:				
United States	55.0	5.9	[1] 4.4	.1
Total	56.4	15.8	11.5	.4

[1] Estimate based on U.S. exports.
Compiled from official sources.

At 349,280 metric tons (12.8 million bushels) soybean imports were 3 percent less than in the first 3 months of 1962. U.S. beans accounted for nearly 85 percent of the total.

Soybean cake and meal imports dropped sharply from 11,472 tons in January-March 1962 to only 406 tons in the same period this year, of which almost one-third was from the United States. The decline in these imports since the heavy imports of 1961 probably has reflected in large part the liberalization of soybeans in 1961.

January-March imports of safflowerseed totaled 23,509 tons, 14 percent more than in the comparable months last year. Virtually all of the imports of safflowerseed in recent years have been from the United States.

Mexico Exporting Copra

Mexico exported 5,500 metric tons of copra to Venezuela during May. This was the first appreciable quantity of copra to be exported by Mexico. Exports in 1962 amounted to only 149 kilograms and none were made in 1961. The largest export of copra recorded in any recent year was 861 tons in 1959.

The exports reportedly were made by the Regional Copra Growers Union of the State of Guerrero through the Banco de Commercio Exterior under a price guarantee set by the government.

Canada Uses More Cotton in April

Canadian mills consumed 34,000 bales (500 pounds gross) of cotton in April. This figure, which is based on the number of bales opened by mills, is 1,000 more than for March and about the same as in April 1962.

Consumption during the first 3 quarters (August-April) of the current season amounted to 296,000 bales. This is slightly below the 308,000 used in August-April 1961-62, but well above the average of 271,000 for the same period of the past 5 crop years.

Japan Importing Much Less U.S. Corn

For the first 6 months of calendar 1963, Japan's imports of U.S. corn will probably be much smaller than they were in the same period of 1962.

Information from the Japanese Customs Bureau and from feed grain importers indicates that Japan's total January-June corn imports will be about 1.25-1.3 million metric tons in 1963 compared with slightly over 1.2 million in 1962. But the U.S. share of this will be only about 430,000 tons, as against almost 770,000 the year before.

Principal reasons for this decline are larger supplies from South Africa, Argentina, and Communist China and increased U.S. corn prices. Stepped-up imports of milo—between 50,000 and 60,000 tons a month, all from the United States—have also probably contributed somewhat to the displacement of U.S. corn.

Australia Expects Record Wheat Acreage

The present outlook in Australia is for record or near record wheat acreage in all States. The largest gain is expected in New South Wales, where some districts are planting 15 percent more than last year. Total wheat acreage is expected to exceed 17 million acres, compared with last year's near-record 16.2 million and the past 10-year average of 11.4 million.

Recent climatic conditions have been the best in years. Heavy rains have occurred over most of the grain belt, interspersed with periods of dry weather which permitted timely field work. Subsoil moisture is now generally high in all districts.

If conditions continue favorable during the growing season, a new record in wheat available for export may be established.

Mexico Is Harvesting Record Wheat Crop

A record wheat harvest is now underway in Mexico. The outturn is estimated at 57 million bushels, compared with the previous high of 53 million last year.

This crop would be sufficient to cover increasing domestic consumption and leave an ample carryover at the end of the marketing year.

Canada's Wheat Seeding Well Underway

Canada's wheat seeding is well advanced except in Manitoba, where progress has been abnormally slow.

Unseasonably cool, wet weather in Manitoba has retarded seeding operations. As a consequence, only about 25 percent of that Province's intended wheat acreage and 15 percent of its coarse grain had been sown by late May.

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

To change your address or stop mailing, tear off this sheet and send to Foreign Agricultural Service, U.S. Dept. of Agriculture, Room 5918, Washington 25, D.C.

Moisture supplies are good for germination and crop growth, except in southern Alberta, where drought persists and is causing concern. Where irrigation water is available, it is being applied throughout this area.

Cool weather has delayed grasshopper hatching, and only scattered reports of cutworm damage have been received.

Late Monsoon in Thailand Delays Rice Crop

The beginning of the southeast monsoon—the rainy season—in the Gulf of Thailand and extending through the central region of the Kingdom was delayed until early June, according to the Royal Meteorological Department of Thailand.

This means that the time of constant rainfall in 1963 will be during June; during the normal monsoon time in May, there was only occasional light rainfall.

It is therefore apparent that the beginning of rice planting is being delayed a month, and that the marketing of the new crop may also be delayed.

Thailand Sells Rice to the Philippines

The Thai Government recently sold the Government of the Philippine Republic 50,000 metric tons of white rice, 25-percent broken, at £38 a metric ton ($4.82 per 100 pounds) f.o.b. Bangkok. Shipment is for May, June, and July 1963.

This deal follows the additional sale of 100,000 tons to Indonesia in early May (see *Foreign Agriculture,* June 3), and brings government-to-government sales in 1963 so far to 372,000 tons, compared with 95,000 in the same period of 1962. The increase was due chiefly to a delay in the sale of rice to Indonesia until January, instead of in the last quarter of 1962.

Rice exports from May 1 to 20, at 112,000 tons, brought total exports in 1963 to 587,000 tons. The January-April exports of 475,000 tons were far ahead of 177,000 in the same months of 1962.

WORLD CROPS AND MARKETS INDEX

(other commodity articles listed on page 2)